

ORIGINAL

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RECEIVED

AUG 9 4 18 PM '96

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

SPECIAL SERVICES REFORM, 1996

Docket No. MC96-3

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS PATELUNAS TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T5-18 AND 23)

The United States Postal Service hereby provides responses of witness Patelunas to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T5-18 and 23, filed on July 26, 1996. Interrogatories OCA/USPS-T5-19-22 were redirected to the Postal Service.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

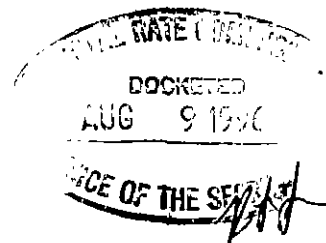
By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Susan M. Duchek

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2990; Fax -5402
August 9, 1996



Answer of Richard Patelunas to the Interrogatories of
Office of the Consumer Advocate
to United States Postal Service

OCA/USPS-T5-18.

The following interrogatory refers to exhibit USPS-T-5H, FY96AR Cost Segment Summary for Special Services.

a) Please explain why Special Delivery continues to appear as a Special Service.

b) Please explain why Stamped Cards are not listed as a Special Service.

c) The following refers to cost segment 16 at 49. Please explain what is included in the \$3,760,000 stamp and dispenser postal card costs.

OCA/USPS-T5-18 Response:

a) The cosmetic change of deleting Special Delivery will be done if the change is implemented. The programming changes to institute the deletion do not provide any additional information for this filing.

b) The cosmetic change of inserting Stamped Cards as a Special Service will be done if the change is implemented. The programming changes to institute the insertion do not provide any additional information for this filing.

c) The \$3,760,000 is the projected manufacturing cost of postal cards for Test Year 1996 at proposed rates.

Answer of Richard Patelunas to the Interrogatories of
Office of the Consumer Advocate
to United States Postal Service

OCA/USPS-T5-23

Refer to your response to Presiding Officer's Information Request No. 1, question 1, and USPS-T-4, page 35, line 13, concerning All Other costs. Your response states that the labor costs of sorting mail to boxes is \$451,581,000. According to witness Lion, "All Other costs are primarily labor costs for sorting mail to boxes..." which amounts to \$109,159,000. Please explain why the costs you identify as labor costs of sorting mail to boxes are greater than the labor costs belonging in the All Other cost category in witness Lion's testimony.

OCA/USPS-T5-23 Response:

As stated in my response to Presiding Officer's Information Request No. 1, the labor costs of sorting mail to boxes are \$451,581,000. The "All Other costs" of \$109,159,000 that witness Lion refers to are primarily labor costs for window service, and related supervisory and personnel costs.

DECLARATION

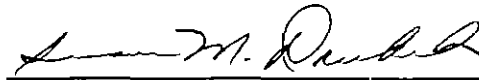
I, Richard Patelunas, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read "Richard Patelunas", is written over a horizontal line.

Dated: 8-9-96

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

A handwritten signature in cursive script, appearing to read "Susan M. Duchek", written over a horizontal line.

Susan M. Duchek

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
August 9, 1996